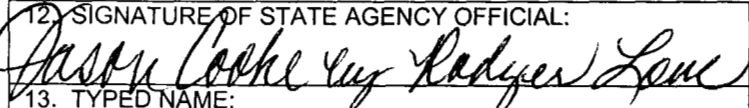



|   |  |  |                        |
|---|--|--|------------------------|
| <b>TRANSMITTAL AND NOTICE OF APPROVAL OF<br/>STATE PLAN MATERIAL</b><br><b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>  |  | 1. TRANSMITTAL NUMBER:<br><br>03-12 -  | 2. STATE:<br><br>TEXAS |
|   |  | 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)   |                        |
| TO: REGIONAL ADMINISTRATOR<br>HEALTH CARE FINANCING ADMINISTRATION<br>DEPARTMENT OF HEALTH AND HUMAN SERVICES   |  | 4. PROPOSED EFFECTIVE DATE:<br><br>September 1, 2003   |                        |
| 5. TYPE OF PLAN MATERIAL (Circle One):<br><br><input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT   |  |  |                        |
| COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)   |  |  |                        |
| 6. FEDERAL STATUTE/REGULATION CITATION:   |  | 7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT<br>a. FFY 2004 \$- 84,272,126 <sup>70,859,439</sup><br>b. FFY 2005 \$-108,344,555 <sup>94,261,747</sup> |                        |
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:<br><br>SEE ATTACHMENT   |  | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):<br><br>SEE ATTACHMENT   |                        |
| 10. SUBJECT OF AMENDMENT:<br>This amendment implements certain legislative requirements from the 78 <sup>th</sup> Legislature, Regular Session, pertaining to discontinuing medically needy coverage for adults, revising the income limit for pregnant women age 19 and older from 185% to 158% of the federal poverty level, and implementing the option to discontinue Medicaid for individuals receiving cash assistance (TANF) who fail to meet work requirements. |  |  |                        |
| 11. GOVERNOR'S REVIEW (Check One):<br><input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED:<br><input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      Sent to Governor's Office this date. Comments, if any, will<br><input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL      be forwarded upon receipt.   |  |  |                        |
| 12. SIGNATURE OF STATE AGENCY OFFICIAL:<br>   |  | 16. RETURN TO:<br><br>Jason Cooke<br>State Medicaid/CHIP Director<br>Post Office Box 13247<br>Austin, Texas 78711                                |                        |
| 13. TYPED NAME:<br>Jason Cooke  |  |  |                        |
| 14. TITLE:<br>State Medicaid/CHIP Director  |  |  |                        |
| 15. DATE SUBMITTED:<br>August 29, 2003  |  |  |                        |
| <b>FOR REGIONAL OFFICE USE ONLY</b>   |  |  |                        |
| 17. DATE RECEIVED:<br>5 SEPTEMBER 2003  |  | 18. DATE APPROVED:<br>4 DECEMBER 2003  |                        |
| PLAN APPROVED - ONE COPY ATTACHED   |  |  |                        |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL:<br>1 SEPTEMBER 2003  |  | 20. SIGNATURE OF REGIONAL OFFICIAL:<br>                      |                        |
| 21. TYPED NAME:<br>ANDREW A. FREDRICKSON  |  | 22. TITLE:<br>ASSOCIATE REGIONAL ADMINISTRATOR<br>DIV OF MEDICAID & CHILDREN'S HEALTH  |                        |
| 23. REMARKS:<br><br>* Pen & Ink Changes to Block 7 per State Agency *<br>LTR dated 11-12-03.  |  |  |                        |

**Attachment to Blocks 8 & 9 to CMS Form 179**

**Transmittal No. TN 03-11, Amendment No. 647**

**Number of the**  
**Plan Section or Attachment**

Supplement 1, Attachment 2.6-A, Page 1  
Supplement 1, Attachment 2.6-A, Page 3

Supplement 2, Attachment 2.6-A, Page 7

Supplement 14, Attachment 2.6-A, Page 2

Attachment 2.2-A, Page 24  
Attachment 2.2-A, Page 25  
Attachment 2.2-A, Page 26

**Number of the Superseded**  
**Plan Section or Attachment**

Supplement 1, Attachment 2.6-A, Page 1 (TN 94-24)  
Supplement 1, Attachment 2.6-A, Page 3 (TN 96-13)

Supplement 2, Attachment 2.6-A, Page 7 (TN 91-34)

Supplement 2, Attachment 2.6-A, Page 2 (TN 98-02)

Attachment 2.2-A, Page 24 (TN 91-34)  
Attachment 2.2-A, Page 25 (TN 98-10)  
Attachment 2.2-A, Page 26 (TN 92-14)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Texas

INCOME ELIGIBILITY LEVELS

A. MANDATORY CATEGORICALLY NEEDY

1. AFDC-Related Groups Other Than Poverty Level Pregnant Women and Infants:

| <u>Family Size</u> | <u>Need Standard</u> | <u>Payment Standard</u> | <u>Maximum Payment Amounts</u> |
|--------------------|----------------------|-------------------------|--------------------------------|
|--------------------|----------------------|-------------------------|--------------------------------|

2. Pregnant Women and Infants under Section 1902(a)(10)(i)(IV) of the Act:

Effective 9/1/2003 based on the following percent of the official Federal income poverty level—(as revised annually in the Federal Register)

|                    |   |
|--------------------|---|
| <u>133</u> percent | <u>185</u> percent (no more than 185 percent)<br>(specify) for age 18 and younger;<br>158 percent for pregnant women age 19 and older |
|--------------------|---|

| <u>Family Size</u> | <u>Income Level</u> |
|--------------------|---------------------|
|--------------------|---------------------|

SUPersedes: 94-24

|            |                |
|------------|----------------|
| STATE      | <u>Texas</u>   |
| DATE REC'D | <u>9-5-03</u>  |
| DATE APP'D | <u>12-4-03</u> |
| DATE EFF.  | <u>9-1-03</u>  |
| HCFA 79    | <u>03-12</u>   |

TN No. 03-12  
Supersedes  
TN No. 94-24

Approval Date 12-4-03

Effective Date 9-1-03

HCFA ID: 7985E

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Texas

INCOME ELIGIBILITY LEVELS (Continued)

B. OPTIONAL CATEGORICALLY NEEDY GROUPS WITH INCOMES RELATED TO  
FEDERAL POVERTY LEVEL

1. Pregnant Women and Infants

The levels for determining income eligibility for optional groups of pregnant women and infants under the provisions of sections 1902(a)(1)(A)(ii)(IX) and 1902(1)(2) of the Act are as follows:

Based on 185 percent of the official Federal income poverty level (no less than 133 percent and no more than 185 percent) for infants and pregnant women age 18 and younger, as revised annually in the Federal Register.

Based on 158 percent of the official Federal income poverty level for pregnant women age 19 and older, as revised annually in the Federal Register.

| <u>Family size</u>         | <u>Income Level</u> |
|----------------------------|---------------------|
| 1                          | \$                  |
| 2                          | \$                  |
| 3                          | \$                  |
| 4                          | \$                  |
| 5                          | \$                  |
| Per each additional member | \$                  |

SUPERSEDED IN 96-13

|             |                |
|-------------|----------------|
| STATE       | <u>Texas</u>   |
| DATE RECD   | <u>9-5-03</u>  |
| DATE APPROV | <u>12-4-03</u> |
| NOTE DATE   | <u>9-1-03</u>  |
| NOTE 179    | <u>03-12</u>   |

TN No. 03-12  
Supersedes  
TN No. 96-13

Approval Date 12-1-03

Effective Date 9-1-03

HCFA ID: 7985E

Revision: HCFA-PM-91-4 (BPD)  
AUGUST 1991

SUPPLEMENT 2 TO ATTACHMENT 2.6-A  
Page 7  
OMB No.: 0938-

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Texas

RESOURCE LEVELS (Continued)

B. MEDICALLY NEEDY

Applicable to all groups -

// Except those specified below under the provisions of section 1902(f)  
of the Act.

| <u>Family Size</u> | <u>Resource Level</u> |
|--------------------|-----------------------|
| <u>1</u>           | <u>2000</u>           |
| <u>2</u>           | <u>2000</u>           |
| <u>3</u>           | <u>2000</u>           |
| <u>4</u>           | <u>2000</u>           |
| <u>5</u>           | <u>2000</u>           |
| <u>6</u>           | <u>2000</u>           |
| <u>7</u>           | <u>2000</u>           |
| <u>8</u>           | <u>2000</u>           |
| <u>9</u>           | <u>2000</u>           |
| <u>10</u>          | <u>2000</u>           |

For each additional  
person

N/A

SUPERSEDES IN 91-34

|             |                |
|-------------|----------------|
| STATE       | <u>Texas</u>   |
| DATE RECD   | <u>9-5-03</u>  |
| DATE APPL D | <u>12-4-03</u> |
| DATE EFF    | <u>9-1-03</u>  |
| HCFA #      | <u>03-12</u>   |

TN No. 03-12  
Supersedes  
TN No. 91-34

Approval Date 12-4-03

Effective Date 9-1-03

HCFA ID: 7985E

X The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

- allows for exclusion of a child's earnings from resources as long as the child is:  
~ enrolled and attending school, GED classes, or home-schooled, regardless of the number of hours, and  
~ employed less than 30 hours a week.
- excludes an additional \$1000 from a household's resources, resulting in allowing a resource limit of \$2000. Also, excludes an additional \$2000 from resources of households with an aged or disabled member, resulting in allowing a resource limit of \$3000 for these households.
- allows a fair market value (FMV) exemption for a household's vehicles. The amount of the exemption is the current food stamp FMV exemption as published in the Food and Consumer Service, U.S. Department of Agriculture regulations

x The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

X The agency continues to apply the following waivers of provisions of Part A of Title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996 and approved by the Secretary on or before July 1, 1997.

- allows removal of the 100-hour rule for meeting the Medicaid deprivation eligibility criteria for two parent families.

SUPersedes TN 98-02

|           |                |
|-----------|----------------|
| STATE     | <u>Texas</u>   |
| DATE RECD | <u>9-5-03</u>  |
| DATE APVD | <u>12-4-03</u> |
| DATE EFF  | <u>9-1-03</u>  |
| HCFA #    | <u>03-12</u>   |

TN No. 03-12  
Supersedes  
TN No. 98-02

Approval Date 12-4-03

Effective Date 9-1-03

Revision: HCFA-PM-91-4 (BPD)  
AUGUST 1991

ATTACHMENT 2.2-A  
Page 24  
OMB NO.: 0938-

State/Territory Texas

| Agency* | Citation(s) | Groups Covered |
|---------|-------------|----------------|
|---------|-------------|----------------|

C. Optional Coverage of the Medically Needy

42 CFR435.301 This plan includes the medically needy.

// No.

/X/ Yes. This plan covers:

1. Pregnant women who, except for income and/or resources, would be eligible as categorically needy under title XIX of the Act.

1902(e) of the Act

2. Women who, while pregnant, were eligible for and have applied for Medicaid and receive Medicaid as medically needy under the approved State plan on the date the pregnancy ends. These women continue to be eligible, as though they were pregnant, for all pregnancy-related and postpartum services under the plan for a 60-day period, beginning with the date the pregnancy ends, and any remaining days in the month in which the 60th day falls.

1902(a)(10)  
(C)(ii)(I)  
of the Act

3. Individuals under age 18 who, but for income and/or resources, would be eligible under section 1902(a)(10)(A)(i) of the Act.

SUPERSEDED IN

91-34

|       |                |
|-------|----------------|
| STATE | <u>Texas</u>   |
| DATE  | <u>9-5-03</u>  |
| DATE  | <u>12-4-03</u> |
| DATE  | <u>9-1-03</u>  |
| DATE  | <u>03-12</u>   |

Revision: HCFA-PM-91-4 (BPD)  
AUGUST 1991

ATTACHMENT 2.2-A  
Page 25  
OMB NO.: 0938-

State/Territory Texas

| Agency* | Citation(s) | Groups Covered |
|---------|-------------|----------------|
|---------|-------------|----------------|

C. Optional Coverage of the Medically Needy  
(Continued)

IV-A  
1902(e)(4) of  
the Act

4. Newborn children born on or after October 1, 1984 to a woman who is eligible as medically needy and is receiving Medicaid on the date of the child's birth. The child is deemed to have-applied and been found eligible for Medicaid on the date of birth and remains eligible for one year so long as the woman remains eligible and the child is a member of the woman's household.

IV-A  
42 CFR 435.308

5. /X/ a. Financially eligible individuals who are not described in section C.3. above and who are under the age of--

— 21  
— 20  
X 19  
— 18 or under age 19 who are full-time students in a secondary school or in the equivalent level of vocational or technical training

- / X / b. Reasonable classifications of financially eligible individuals under the ages of 21, 20, 19, or 18 as specified below:

- (1) Individuals for whom public agencies are assuming full or partial financial responsibility and who are:

— (a) In foster homes (and are under the age of \_\_\_\_).

— (b) In private institutions (and are under the age of \_\_\_\_).

Texas

9-5-03

12-4-03

9-1-03

03-13

SUPERSEDES TN. 98-10

TN No. 03-12

Supersedes

TN No. 98-10

Approval Date 12-4-03

Effective Date 9-1-03

HCFA ID: 7985E



Revision: HCFA-PM-91-4  
AUGUST 1991

ATTACHMENT 2.2-A  
Page 26  
OMB NO.: 0938-

State/Territory Texas

| Agency* | Citation(s) | Groups Covered |
|---------|-------------|----------------|
|---------|-------------|----------------|

C. Optional Coverage for the Medically Needy  
(Continued)

- |   |   |   |
|---|---|---|
| IV-A42CFR 435.310                       | — | 6. Caretaker Relatives  |
| IV-A 42CFR 435.320<br>and 42CFR 435.330 | — | 7. Aged Individuals   |
| IV-A 42CFR 435.322<br>and 42CFR 435.330 | — | 8. Blind Individuals  |
| IV-A 42CFR 435.324<br>and 42CFR 435.330 | — | 9. Disabled Individuals   |
| 42CFR 435.326                           | — | 10. Individuals who would be<br>ineligible if they were not<br>enrolled in an HMO.<br>Categorically needy individuals<br>are covered under 42 CFR<br>435.212 and the same rules apply<br>to medically needy individuals.  |
| 42CFR 435.340                           | — | 11. Blind and disabled individuals<br>who:<br>a. Meet all current requirements for<br>Medicaid eligibility except the<br>blindness or disability criteria;<br>b. Were eligible as medically needy<br>in December 1973 as blind or<br>disabled; and<br>c. For each consecutive month after<br>December 1973 continue to meet<br>the December 1973 eligibility<br>criteria. |

Texas

9-5-03

12-4-03

9-1-03

03-12

SUPERSEDED BY 92-14